
4Q2024

Guadalajara Industrial Market



Market Analysis

Economy

- The Interbank Interest Rate decreased to 10% in response to the U.S. Federal Reserve's actions and inflation trends.
- While long-term interest rates have risen, a slowdown in the labor market was observed by year-end.
- Both headline and core inflation have declined, although supply-side shocks persist.

Transactions

- The closure of the Roca warehouse in the El Salto submarket for a logistics company stands out.
- On the other hand, the addition of newly completed warehouses in Plataforma Park, including one designated for Real Truck, is notable.
- Finally, the warehouse under construction at El Salto Park III also marks a significant closure for a company specializing in electronic devices.

Market fundamentals

	Current Quarter	Prior Quarter	Year Ago Period	12-Month Forecast
Total Inventory (SF)*	67.2M	65.5M	61.7M	↑
Vacancy Rate	2.8%	2.4%	2.0%	↑
Gross Absorption (SF)	1.4M	1.4M	1.3M	→
Net Absorption (SF)	-0.3M	-0.1M	-0.4M	↓
Asking Rent (USD/SF/year)	\$7.76	\$8.13	\$7.73	↑
U.Construction (SF)	3.4M	2.8M	2.9M	↑

Outlook

- Although the market throughout the year focused on the development of speculative warehouses, it is expected that BTS projects will be reactivated in the coming year, driven by activity in industrial land sales in parks.
- The occupancy of warehouses at the highest prices indicates strong market confidence and a moderate response to price increases aimed at attracting investments.

*The table includes the six submarkets located within the state of Jalisco.

I. Economy	04
II. Market fundamentals	08

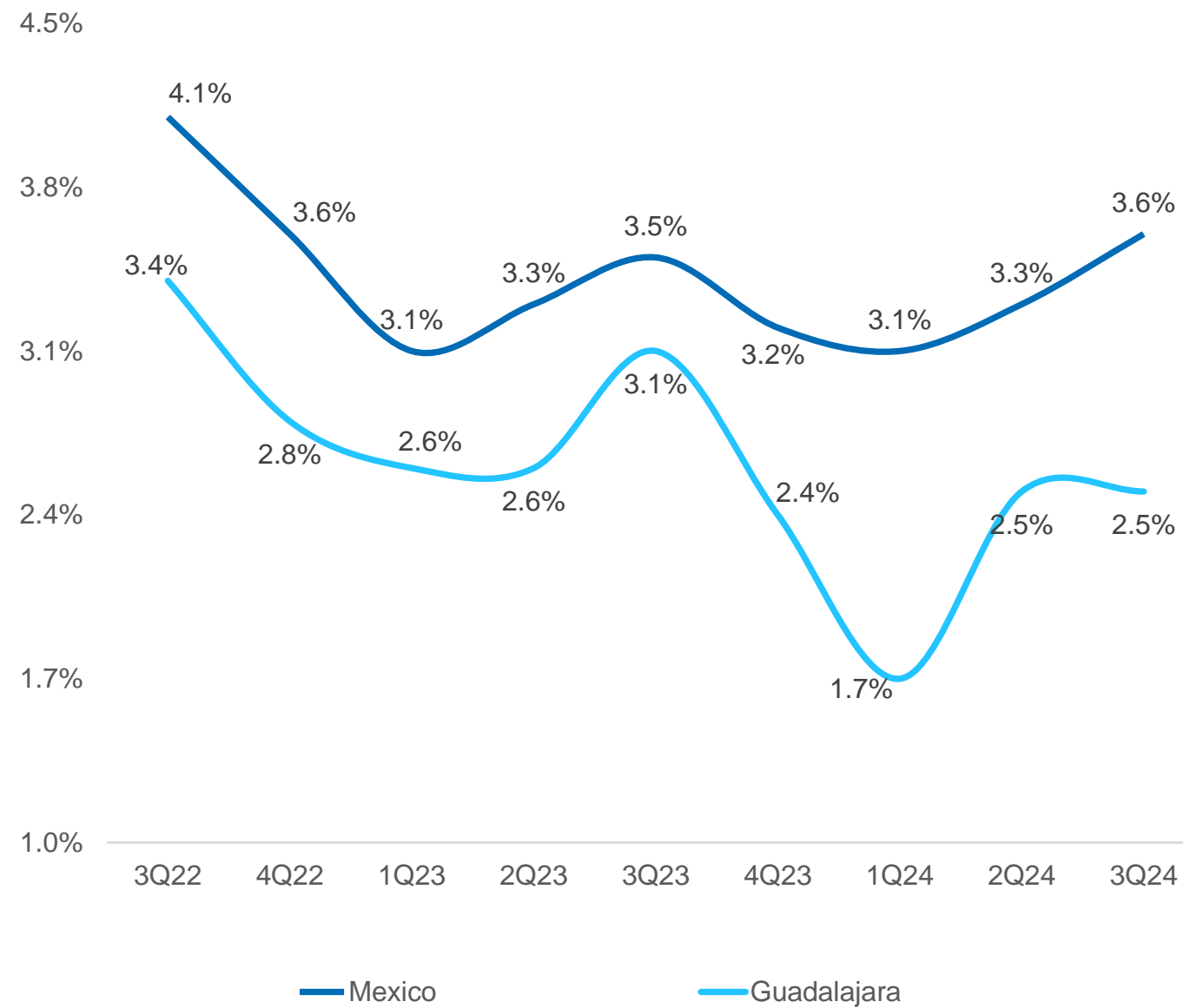
Economy



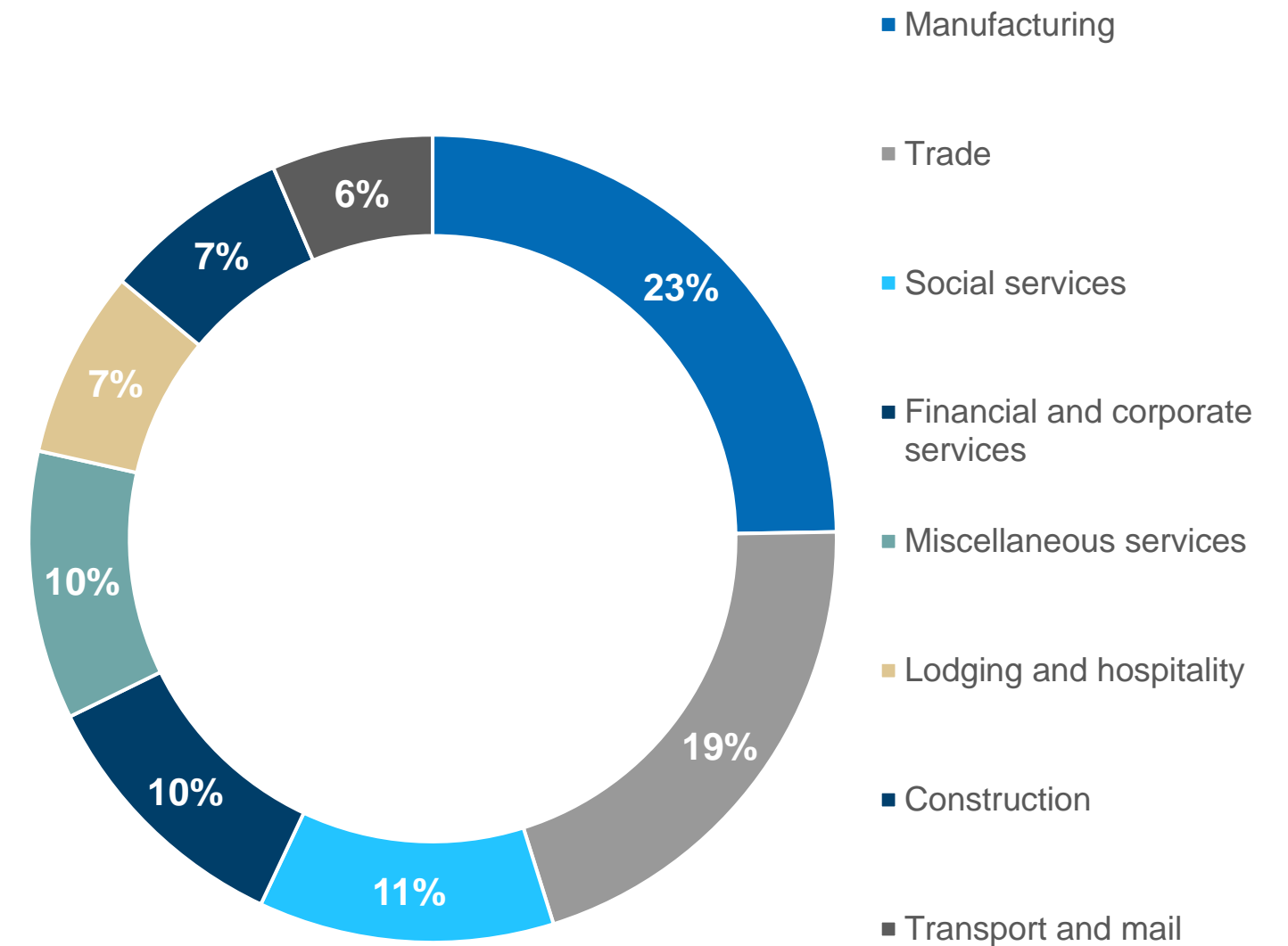
Employment

The slowdown in employment has contributed to an increase in the unemployment rate in both Mexico and Guadalajara, with a greater impact on women. The accommodation subsector in Guadalajara has shown recovery compared to the previous period, while the construction sector experienced a deceleration.

Unemployment Rate



Recent Employment Trends in Guadalajara

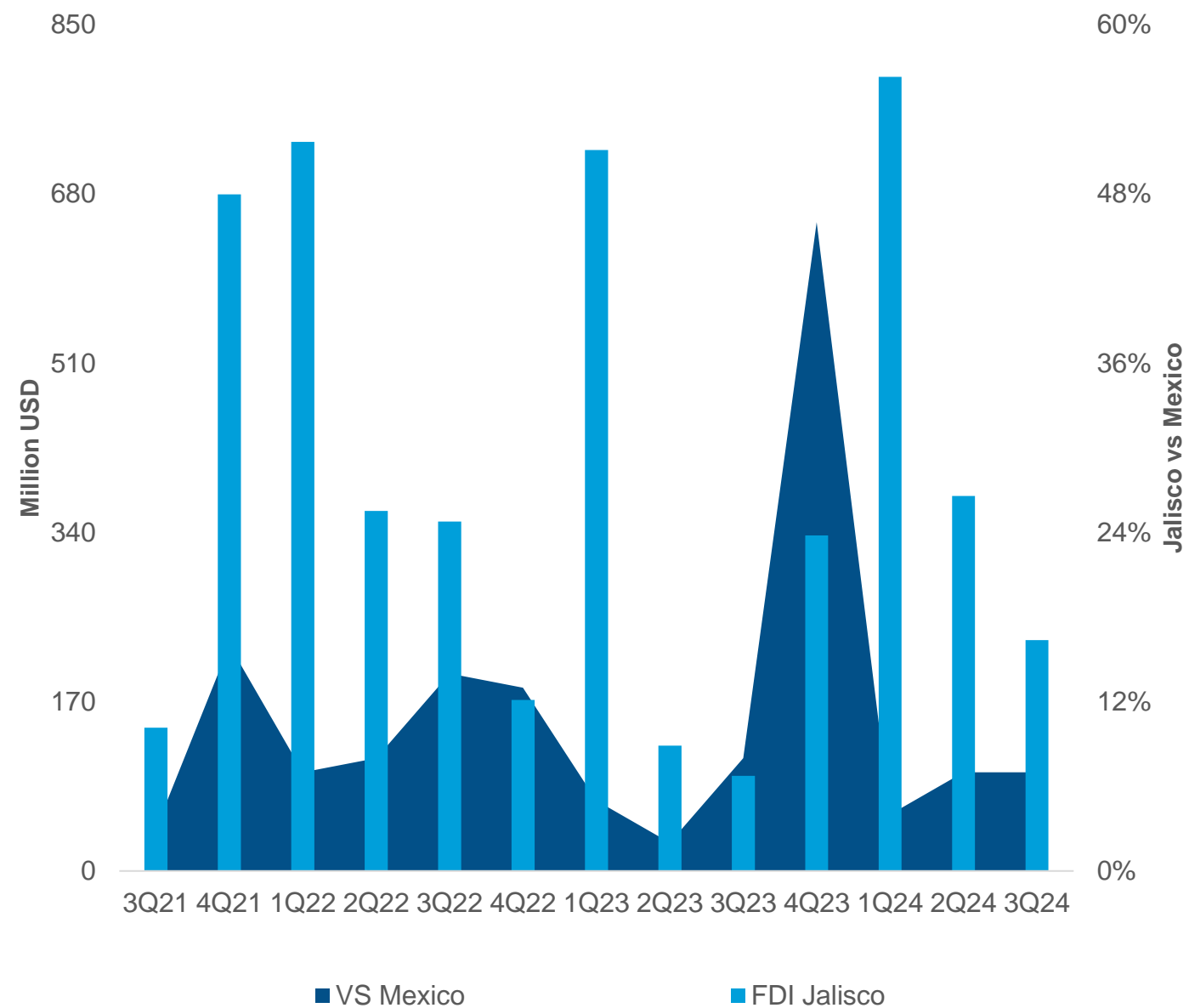


Source: INEGI.
Note: Official information available through 2Q 2024.

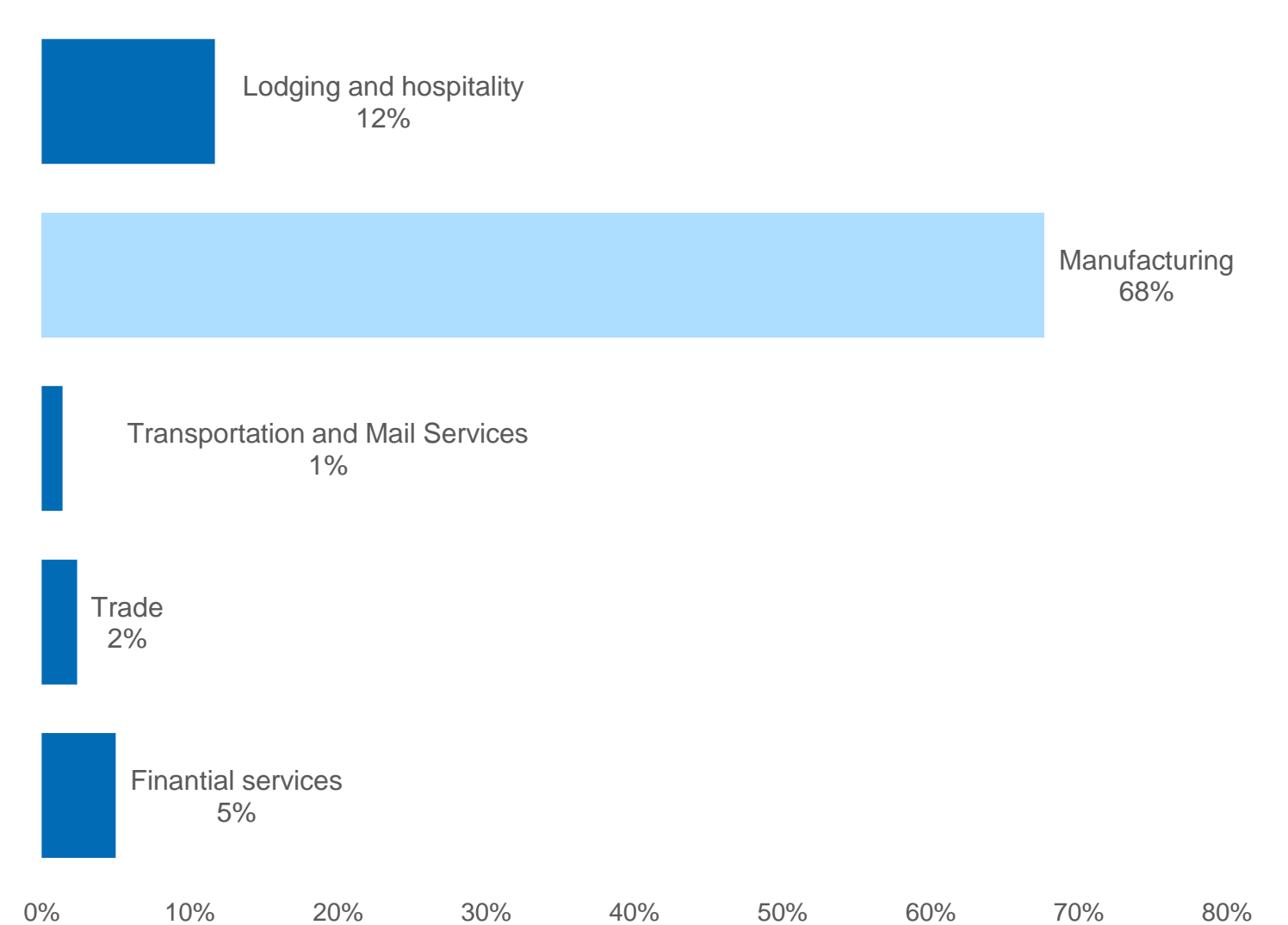
Investments

Foreign Direct Investment (FDI) in Jalisco maintained its pace of attraction, although it was notably lower compared to levels observed since 2021. By year-end, all subsectors experienced a widespread slowdown.

Foreign Direct Investment (FDI)



FDI by subsector (YTD 2023)

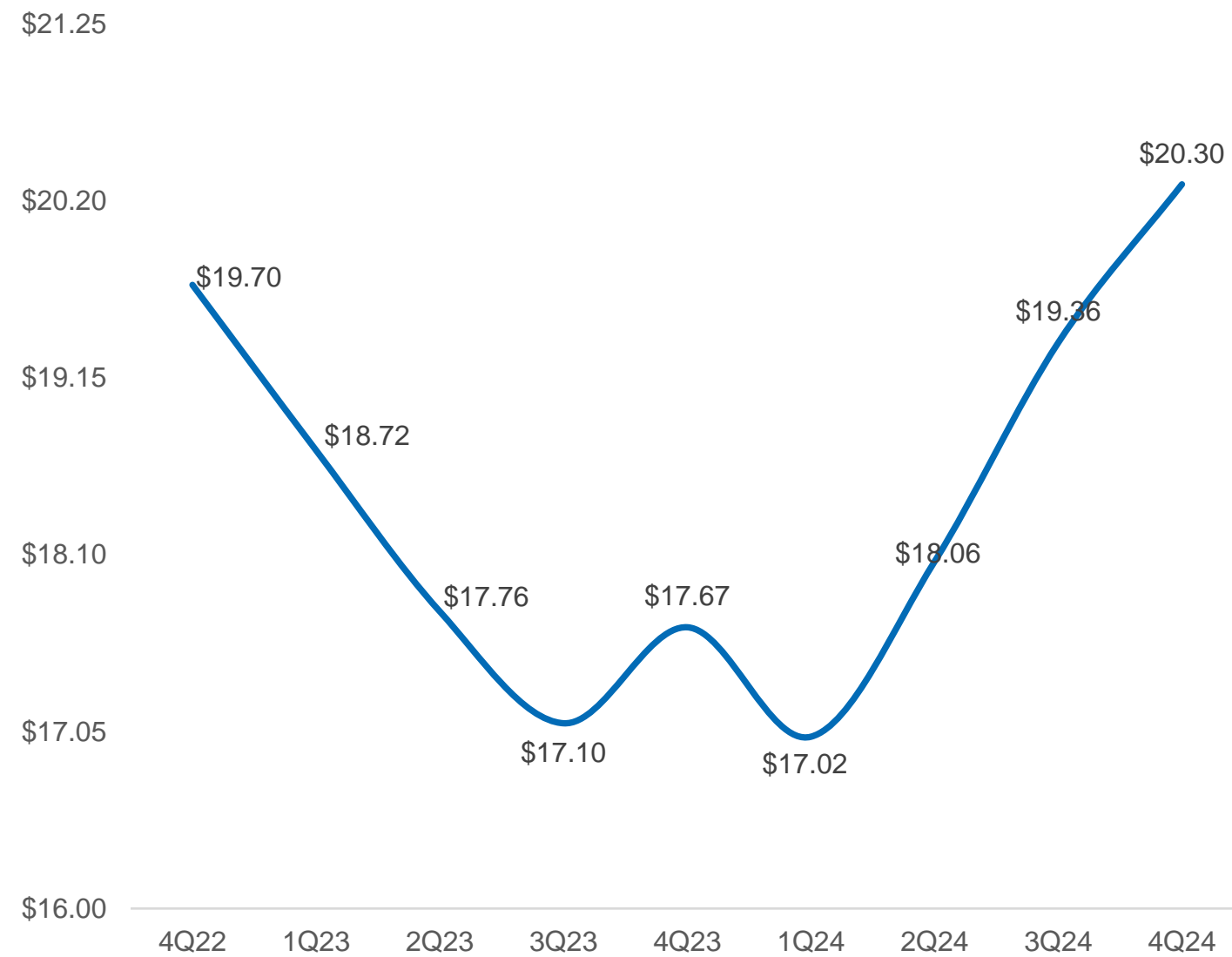


Source: Secretaría Economía
 Note: Official information available through 2Q 2024.

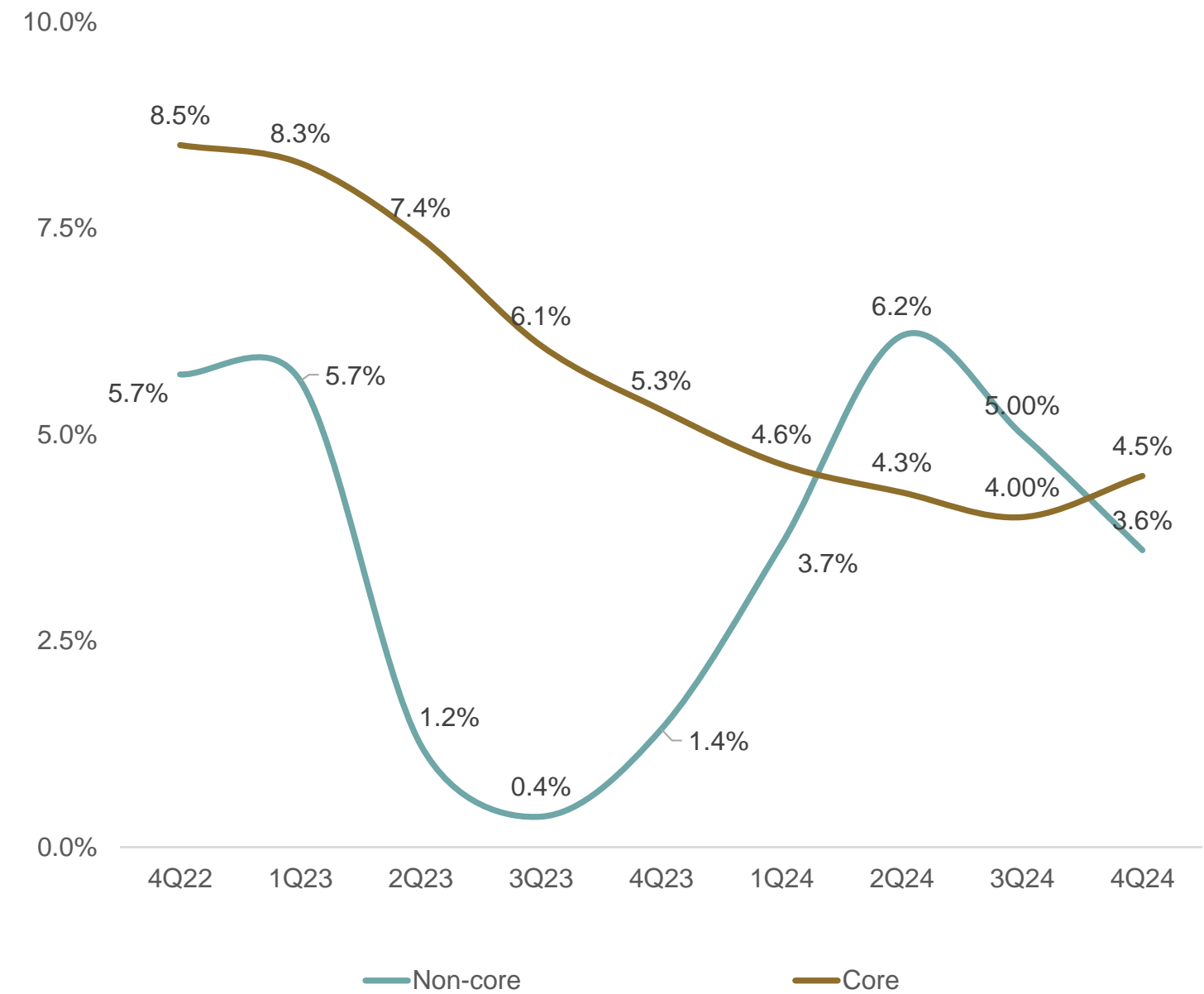
Inflation-devaluation

Despite the depreciation of the peso against the dollar due to domestic policies, both core and non-core inflation continue to show a downward trend.

Exchange Rate



Consumer Price Index (CPI)



Source: Banco de México and INEGI.

4Q24

Market fundamentals



Market Summary

The year closed with a notable increase in Class A inventory and an acceleration in the construction pace compared to the previous quarter. Prices remained largely stable, awaiting developments in global economic policies.

Submarket Statistics (Guadalajara city)

	Inventory (Million SF)	Construction (SF)	Vacancy (SF)	Vacancy Rate	Gross Absorption (SF)	Gross Absorption YTD (SF)	Net Absorption (SF)	Net Absorption YTD (SF)	Asking Rate (USD/SF/year)	Construction Asking Rent (USD/SF/year)
Zona Industrial	2.3	-	-	0.0%	108,124	654,322	108,124	-71,656	-	-
El Salto	29.8	2,434,602	1,667,957	5.6%	1,080,156	3,483,660	-412,843	-626,584	\$7.77	\$7.44
López Mateos Sur	6.9	968,760	-	0.0%	103,001	686,442	-	165,679	-	\$8.18
Periférico Sur	9.1	-	155,152	1.7%	79,933	79,933	(49,170)	-154,076	\$7.16	-
Zapopan Norte	16.1	-	40,473	0.3%	69,535	178,747	69,535	-40,473	\$10.03	-
Total	64.2	3,403,362	1,863,582	2.9%	1,440,750	5,083,104	-284,353	-727,109	\$7.76	\$7.61

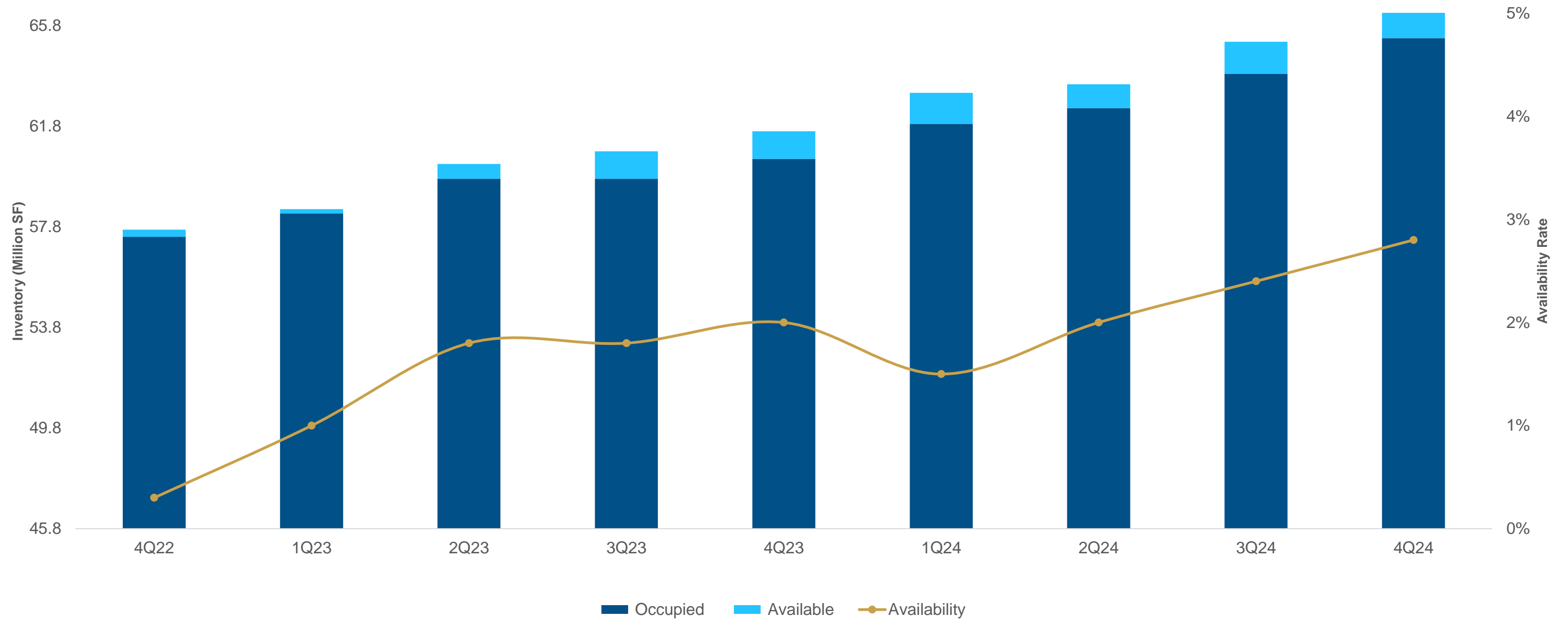
Submarket Statistics (Outside Guadalajara City)

Lagos de Moreno	3.0	-	-	0.0%	-	-	-	-	-	-
-----------------	-----	---	---	------	---	---	---	---	---	---

Inventory and Availability Trends

Quarterly inventory growth increased from 2% to 3% by year-end, resulting in a 0.4 percentage point rise in the availability rate.

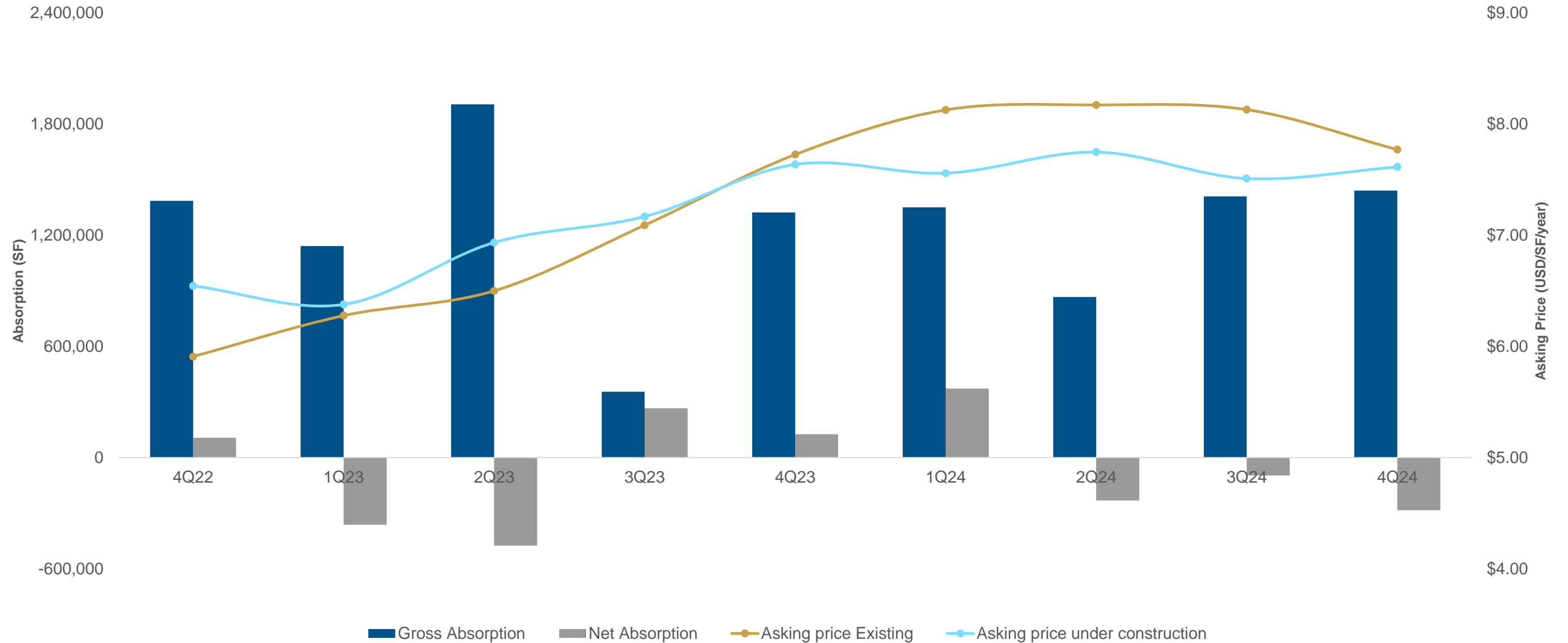
Ready inventory and vacancy



Absorption and asking price

Gross absorption remained at levels similar to the previous quarter, with the addition of newly built warehouses to the inventory driving net absorption towards zero. Prices showed little change and experienced a slowdown as the year concluded.

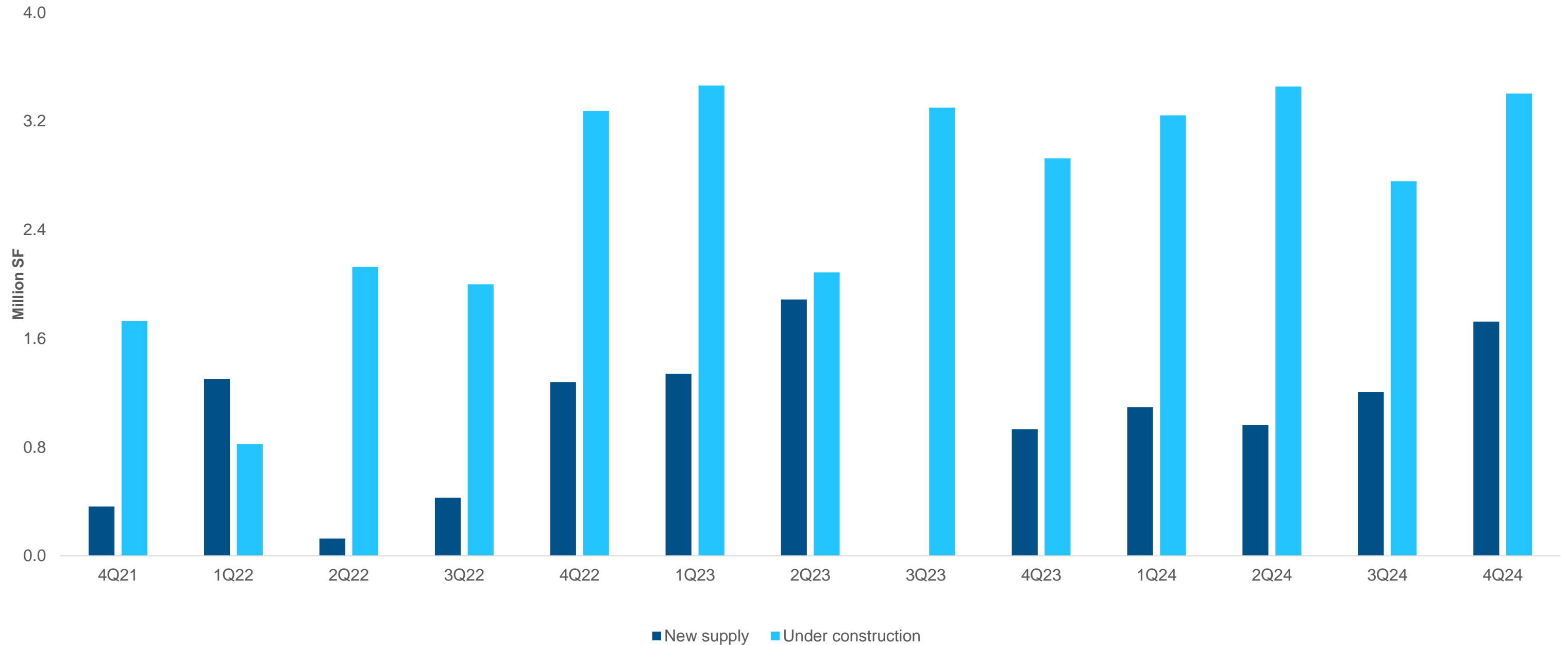
Absorption and asking price types



New supply

The growth of Class A industrial inventory can be attributed to a 43% increase in the addition of new warehouses compared to the previous quarter. Additionally, the quarterly construction pace rose by 23% compared to the same period last year.

New Inventory and warehouses under construction



Construction, main deals & Spec vs *BTS*

The market remains focused on the development of speculative warehouses and large investments in the El Salto submarket.

Parks under construction

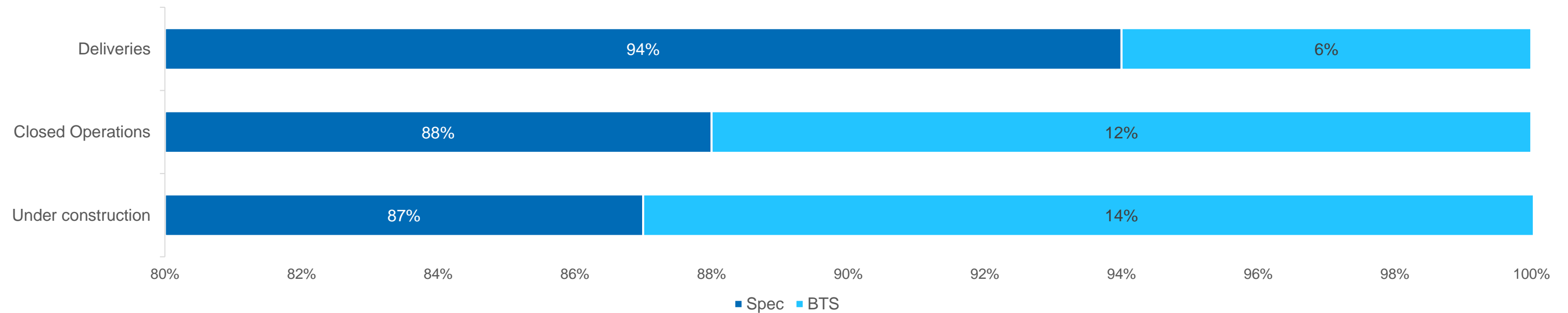
Industrial Park	Submarket	Delivery date	Total area (SF)
Plataforma Park Guadalajara	El Salto-Aeropuerto	1Q2025	1,048,112
El Salto Park III	El Salto-Aeropuerto	1Q2025	572,064
Centro Logístico Jalisco	López-Mateos Sur	1Q2025	430,560

*New park

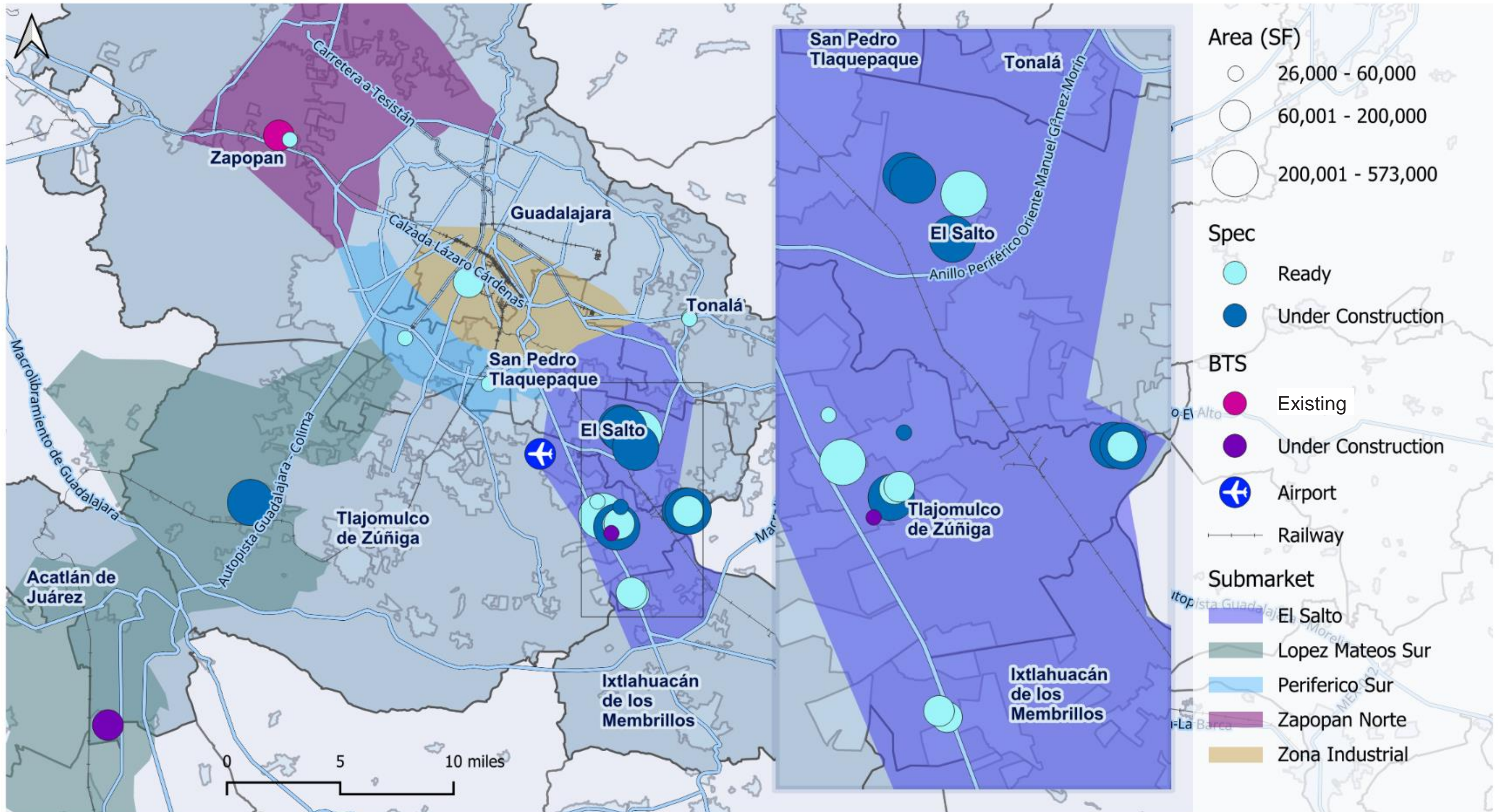
Main deals

Industrial Park	Submarket	Type	Area (SF)
Roca El Salto	El Salto-Aeropuerto	Spec	394,845
Plataforma Park	El Salto-Aeropuerto	Spec	224,182
El Salto Park III	El Salto-Aeropuerto	Spec	148,080

*Transactions are recorded only when the buildings are finished or in the process of being transferred for delivery



Locations for speculative developments



For further information:

Fernando Lara

Market Research Analyst

Bajío

fernando.lara@nrmk.com

Mauricio Mondragón

Market Research

Manager

mauricio.mondragon@nrmk.com

Ciudad de México

Corporativo Espacio Santa Fe

Carr. México Toluca 5420-PH

Santa Fe, Cuajimalpa, México

CDMX 05320

t 555-980-2000

nrmk.lat

Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nrmk.lat/reportes-de-mercado/.

All information contained in this publication is derived from sources that are deemed to be reliable. However, Newmark has not verified any such information, and the same constitutes the statements and representations only of the source thereof not of Newmark. Any recipient of this publication should independently verify such information and all other information that may be material to any decision the recipient may make in response to this publication and should consult with professionals of the recipient's choice with regard to all aspects of that decision, including its legal, financial and tax aspects and implications. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download or in any other way reproduce this publication or any of the information it contains. This document is intended for informational purposes only, and none of the content is intended to advise or otherwise recommend a specific strategy. It is not to be relied upon in any way to predict market movement, investment in securities, transactions, investment strategies or any other matter.

NEWMARK